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23 April 1960

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DIA and DOS review(s) completed.

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23 APRIL 1960

I. THE COMMUNIST BLOC

Peiping again publicly warns that detente should not lead Communists to abandon long-term struggle against West; Khrushchev implicitly criticized.

USSR reportedly offers "unlimited" amounts of crude oil to India.

II. ASIA-AFRICA

President Rhee reportedly plans to relinquish power in favor of parliamentary government headed by prime minister.

Effects of Korean disorder may provoke protests in Nationalist China if irregularities occur in local elections tomorrow.

Laos--Murderers of French UN official apparently thought he was American; incident may be part of reported Communist plan to take "positive action" against Americans in Laos.

Violent student demonstrations expected in Japan next week in protest against ratification of US-Japan security pact.



- Split developing in South African ruling party on issue of revising apartheid policy.
- 8 Guinea--Touré government moves to suppress opposition elements.



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CENTRAL INTELLIGENCE BULLETIN

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23 April 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

Communist China: For the second time in less than a month, the Chinese Communist party's top theoretical journal, Red Flag, has emphasized that negotiations between the bloc and the West, regardless of their success in "reaching some sort of agreement," should not lead Communists to abandon their long-term struggle against the West. The article, apparently directed toward justifying the continuation of the "tense situation" in Sino-American relations, rebuts the "revisionist" view of Tito-and, by implication, the views of Khrushchev-that "nations can relax," and asks: "Is there tranquillity in our Taiwan Strait?"

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USSR-India: Moscow has reportedly offered New Delhi "unlimited" amounts of crude oil at discount prices in an attempt to stress the USSR's ability to supply India's petroleum needs. Despite the attractiveness of the offer, New Delhi would encounter difficulty in utilizing much Soviet crude, but may use the Soviet offer to exert pressure for pricing concessions from the three Western companies which operate most of India's refining capacity.

II. ASIA-AFRICA

*South Korea: The announcement that President Rhee has agreed to head a parliamentary system of government with a cabinet headed by a prime minister is probably a device to resolve the present political crisis by eliminating the controversial vice presidency. The tactics used in the 15 March election of Yi Ki-pung to the vice presidency sparked the recent outburst of popular violence. Under a parliamentary system prior to 1954, Rhee as president was able to exercise the powers usually associated with the prime minister. It is

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25X1	as vice president expir is probably intended to	exert maximu	n pressure on Rh	ee and	
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	major demonstration by police. There were	y students yest e no casualties.	e <mark>rday in Inchon w</mark>	as dispersed	<u>1</u>
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		mmediate threat to their position		25X1	
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	23 Apr 60	DAILY BRIEF	iii		
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I. THE COMMUNIST BLOC

Peiping Reaffirms Disagreement With Soviet Policy of Detente

For the second time in less than a month the Chinese Communist party's top theoretical journal, Red Flag, has emphasized that negotiations between the bloc and the West, regardless of their success in "reaching some sort of agreement," should not lead Communists to abandon their long-term struggle against the West. The article, apparently directed toward justifying the continuation of the "tense situation" in Sino-American relations, rebuts the "revisionist" view of Tito--and, by implication, the views of Khrushchev--that "nations can relax," and asks: "Is there tranquillity in our Taiwan Strait?" The article strongly implies that foreign policy differences between Peiping and Moscow arise mainly from the Chinese view that China has nothing to gain from a policy of detente with the West.

West.

The latest Red Flag article suggests that Peiping may be developing a strong propaganda line in anticipation of possible developments at the summit and disarmament conferences. On 22 April the chief of the party's propaganda department stated that although it is "entirely permissible and necessary" that bloc countries conduct negotiations with the West, they should guard against reducing their "revolutionary spirit."

Peiping's claim to be "correctly" interpreting Lenin appears to be its answer to Khrushchev's attacks on "adventurous"

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policies. The article implies that Lenin's "original" conclusions and a Communist's "usual conception of Leninism" have been distorted for policy reasons by Moscow, particularly on the issue of the inevitability of war. It insists that local wars still "count as wars" and emphasizes, in a tone contrary to that of statements made at the Soviet 21st party congress, the continuing possibility of war.

In another area of Sino-Soviet difference, the representative of Peiping's official news agency in East Berlin stated on 14 April that Mao Tse-tung is the most important living Marxist and ranks just behind Lenin in interpreting Marxist philosophy correctly. He characterized Khrushchev as "simply" premier of the USSR and first secretary of the Soviet party, implying that the Soviet leader is a theorist of little stature in Chinese eyes. These views.

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are in line with extravagant claims being made publicly for Mao in China.

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USSR Offers "Unlimited" Quantities of Crude Oil to India

Moscow reportedly has offered New Delhi "unlimited" amounts of Soviet crude oil and some refined products at discount prices with payment in Indian rupees. While couching its offer in unusually attractive terms to stress its willingness to supply a major part of Indias petroleum needs, the Soviet Union probably hopes to achieve only limited results by partially replacing Western oil suppliers.

Despite the attractiveness of the Soviet offer, not only in price but also in foreign-exchange savings, India would face major difficulties in utilizing Soviet crude. The three Westernowned refineries which process all of India's imported crude (35,000,000 barrels in 1959) would not be obligated under their present contracts to use the Soviet crude and would certainly resist any Indian pressures in this direction. The only government-owned refineries, Barauni and Gauhati, both of which are being built with bloc assistance, are located well inland in eastern India and are designed to refine the relatively small quantities of crude oil produced by India. New Delhi may, therefore, accept the offer of refined products as part of a long-term agreement already reported in the offing, while using the offer of Soviet crude as a lever to extract pricing concessions from the Western companies.

This is the first time the USSR has offered crude oil to India. Earlier Soviet-Indian oil negotiations resulted in the inclusion, for the first time, of small amounts of Soviet petroleum products in the annual trade agreement for 1960-61. The USSR frequently has exploited trade opportunities in other underdeveloped countries by agreeing to provide Soviet oil in barter or soft currency transactions.

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II. ASIA-AFRICA

South Korea

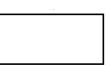
The announcement that President Rhee has agreed to a parliamentary system of government with a cabinet headed by a prime minister is probably a device to resolve the present political crisis by eliminating the controversial vice presidency. The fraudulent tactics used in the 15 March election of Yi Kipung to the vice presidency sparked the recent outburst of popular violence. Under a parliamentary system prior to 1954, Rhee as president was able to exercise the powers usually associated with the prime minister. It is problematical whether any prominent members of the opposition Democratic party would participate in a coalition if such an arrangement is proposed by Rhee.

Rhee may contemplate selecting a prime minister from among five former political lieutenants with whom he consulted on 21 April. The five, whose popularity is questionable, had been dropped by Rhee after either outliving their usefulness or showing signs of acquiring political power of their own. Rhee's objective may be to install a man who could assure the administration's control over the Liberal Party and National Assembly.

Rhee, who has maintained that the nationwide demonstrations were Communist-instigated, may have belatedly recog-	25X1	25X1
nized to some extent the public resentment against his administration. Nevertheless,		:
Rhee is under pressure from leaders of the Liberal Party, the police and the State Council not to agree to decisions which would work against them. The embassy and American information officers throughout South Korea report that US state ments on the current situation have excited great interest among the Korean people.	5	 25X1
Vice President Chang Myon, leader of the opposition Democratic party whose term expires on 15 August, has resigned, an	<u>d</u>	

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Yi Ki-pung has publicly said he is considering renouncing his election. Chang told the American army attaché on 22 April that, following his resignation, the party will file a resolution in the National Assembly calling for the resignation of President Rhee and Yi Ki-pung. Chang's resignation probably is intended to maintain the momentum of the popular drive, and it will provide further unsettling effects on the South Korean situation.)



Student restiveness continues throughout South Korea, with one major demonstration reportedly dispersed on 22 April by police without casualties in the port city of Inchon, which is not under martial law. Martial-law commander Lt. Gen. Song Yochan has ordered restrictions relaxed in Seoul and other cities under martial law, and in the capital all but about 100 of the 1,700 demonstrators seized by the police have been released. In the provincial capital of Kwangju, however, there are widespread rumors that some 600 students still held by the authoraties are being tortured, and the city appears "cowed rather than quiet." Although army troops fired on student demonstrators on 21 April, the people of Kwangju reportedly tend to regard the solutiers as "moderators" between themselves and police.

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Disorder in South Korea May Spread to Taiwan

The disorder in South Korea has increased the possibility of protest demonstrations over any irregularities during local elections on 24 April in Taiwan, where developments in Korea are being followed closely. Major demonstrations on the day of the elections appear unlikely, but blatant election irregularities could generate incidents such as fist fights at polling stations. Defeat of any of several independent candidates by a narrow margin in one of the hotly contested races could incite open accusations that the elections were rigged in favor of the Kuomintang candidate.

Yang Chiu-hu, a member of the opposition Democratic Socialist party, petitioned President Chiang Kai-shek at a recent session of the National Assembly to require the ruling Kuomintang party to clean up elections on Taiwan. Independent Taiwanese politicians and newspapers also have criticized the Kuomintang for election irregularities—such as ballot-box stuffing, plural voting, and unfair invalidation of ballots—and requested that opposition as well as Kuomintang candidates be allowed to appoint poll supervisors. Government and Kuomintang officials have rejected this demand.

The Kuomintang wants to display overwhelming popular support by winning a majority of the contests, but it is anxious to avoid a shutout of minority representation. The party has refrained from nominating a full slate of candidates and in some contests surreptitiously supports independent candidates to foster a facade of opposition. Local party officials, however, are conscious of the adverse effect independent representation might have on their political careers and may ignore party orders to avoid any actions which might give rise to demonstrations.

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Japanese Demonstrations Against Security Treaty With US

The nationwide leftist campaign against ratification of the US-Japanese security treaty is likely to be exploited by extremists, who are planning a student-led violent demonstration in front of the Diet on 26 April, about the time the lower house plans to put the treaty to a vote. The opposition Socialists, who already have halted committee hearings on the treaty by preventing the chairman from taking his seat, may also resort to nonparliamentary action to delay or even prevent a floor vote.

Some 30,000 members of Zengakuren, the radical university students' association, are planning to exploit the demonstration already scheduled by 70-80,000 members of organizations participating in the leftist-sponsored People's Council Against Revision of the Security Treaty. Zengakuren leaders--many of whom have been expelled from the Japanese Communist party for extremism, including the precipitation of a riot at the Tokyo airport when Prime Minister Kishi departed for Washington last January to sign the new treaty-have rejected the council's program as "too passive and ineffective."

Government leaders are concerned that Zengakuren, prompted by the student riots in South Korea, may resort to its most violent action to date. Accordingly, they plan to mobilize 10,000 police equipped with tear gas to cope with the situation. In the final analysis, however, leftist extremism, while possibly upsetting the treaty ratification schedule, will antagonize the general Japanese public and probably prove counterproductive by undercutting opposition to the treaty.

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Split Developing in Dominant South African Party

A serious split has apparently developed within South Africa's ruling Nationalist party over the question of the government's future racial policy. A relatively moderate faction of the cabinet, led by acting chairman Paul Sauer and Minister of Posts, Telegraphs, and Health Albert Hertzog, has reportedly been exploring ways of easing racial tension by applying the apartheid policy less harshly. These efforts were reflected in Sauer's 19 April call for "an important change in the practical application of government policy," involving revision of the stringent native pass laws, higher wages for urban Africans, and increased interracial contact.

Sauer has been publicly rebuked by External Affairs Minister Eric Louw and Minister of Bantu Administration M. D. C. de Wet Nel, the spokesmen for the conservative Nationalists. Louw told Parliament on 20 April that the government's policy "remains unchanged" and that changes could be made only by Verwoerd. Sauer's speech was also criticized by the Nationalist newspaper Die Vaderland, whose board of directors includes Hertzog and three other cabinet members. Die Vaderland's criticism may indicate that the other members of the moderate faction in the cabinet are hesitant to give public support to Sauer's proposals as a result of the negative party reaction to them.

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Guinea Regime Reported Moving Against Opposition

President Sekou Touré and the influential left wing of Guinea's
authoritarian regime are taking vigorous measures to suppress
elements which have recently moved to establish a rival political
party,
Toure's militant and highly disciplined Democratic party of Guinea
has been the sole political organization and the real governing
authority in the country since shortly after Guinea voted for inde-
pendence from France in September 1958.

The opposition movement, which reportedly is headed by Justice Minister Ibrahima Barry and includes several other ministers, appears inspired in large part by the traditional hostility of the hinterland Foulah tribe toward the Malinke and Soussous tribesmen who predominate in Toure's regime. Rumors of increasing unrest among the Foulahs have been circulating in Guinea since late 1959. In the last few days, these have become more specific in nature, pointing to an early attempt by Barry to establish an opposition party pledged to moderating the regime's strongly socialist-oriented internal policies and reversing its drift toward the Soviet bloc. The opposition group reportedly favors the establishment of "Commonwealth ties" with France.

There appears little likelihood that Toure and his group, who are believed to be in firm control of the security apparatus, will be overturned in the near future. Repressive action, including house-to-house searches for antiregime propaganda and the arrest of one minister-not Barry-and many second-echelon opposition leaders, reportedly began on 19 April. However, a desire not to reveal publicly the extent of the split within the government may influence Touré to move against other top opposition leaders one by one rather than to arrest them all now.

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Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

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